Effect of drought on revenue collection

977. SHRI D1NKARAO GOVINDRAO PATIL: Will the Minisier of FINANCE be pleased to state:

(a) whether i: is a faci thai revenue collection is likely to show a decline due to drought in the country: and

(b) if so. what steps Government propose to lake to meet the situation ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE I SHRI B. K. GADHVI): (a) and lb) Th as yet, no definite indieateion thai iqial tax collections would decline due to drought in lhe country. But il is too early to conclude one way or the other.

Setting up of Export Units by Indian Diamond Merchants in China

978. SHRI DINKARRAO GOVIND RAO PATH.: Will the Minister of COM MERCE be pleased to state:

(a) whether some Indian diamond merchants have sel up 100 per cent export units in China; and

(b) if so. uhal are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Government is nol aware of any Indian diamond merchant having set up 100 per cent export oriented diamond unit in China.

(b) Does nol arise.

Acceptance of Deposits by Unincorporated Bodies

979. SHRI DINKARRAO GOVIND RAO PATIL: Will the Minisier of FIN ANCE be pleased lo slate:

fa) whether il is a fact that some un-incoroprated bodies have been accepting deposits from the public and then have been defaulting on the repayment of the same;

(b) whether Goveinment propose to check such companies: and

(c) if so, what are the details (hereof?

THE MINISTER OE STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (e). Government are aware thai certain unincor-j poiated bodies accept deposils from public by offering very high rates of interest and lend the same by charging exhorbitant rales of interest. There are also reports about certain unincorporated bodies not ' paying back the deposits, when demanded.

The deposit acceptance activities of such bodies are regula. ed under Chapter I1I-C of Reserve Bank of India Act. 1934. These provisions prohibit such bodies from accepting deposils in excess of ihe specified number of depositors. The Act also provides frr penal action for violating these provisions. These powers vest con-; currently with Reserve Bank of India and the Siate Governments.

Reserve Bank of India has reported thai it has. already, initiated action against several concerns at Ahmedabad. Bangalore. K'olayam, Madras and Trivandrum. The Kerala State Police is also reported to have raided lhe offices of some concerns and have seized documents. The proprietors/partners of some of these bodies are reported to have been arrested for breach of trust and cheating. Reserve Bank of lndia has reported that quite recently, it, alongwith the Sales Tax Intel-ligence Wing of Government of Kerala, had raided ihe offices of a number of un-incorporated bodies in Kerala for suspected violation of the various provisions of the relevant Acts.

The Constitutional validity of ihe Chapter III-C of Reserve Bank of lndia Act, 1934 has been challenged and the mnttei is pending before Ihe Supreme Court and is. therefore, *sub-judice.*

Growth of Small Scale Industry

980. SHRI DINKARRAO COVIN D-R \0 PATIL: Will the Minister of FINANCE be pleased to slale:

(a) whether it is a fact hat inadequacy of risk capital hampers the growth of small. scale industrj; anti

lb) if so. what steps Government propose to lake lo provide the requisite capital ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI IANARDHAN POOJARI): (a) and (b). The Reserve Bank of lndia has reported that Industrial Development Bank of India (I D B I) and National Bank for Agriculture